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COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES

GENERAL EXPLANATION
OF THE
FAMILY SUPPORT ACT OF 1988

(H.R. 1720, 100th Congress; Public Law 100-485)



FEBRUARY 10, 1989

Prepared for the use of the Committee on Ways and Means by its Staff

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LETTER OF TRANSMITTAL

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., February 10, 1989.

HON. DAN ROSTENKOWSKI, *Chairman,*
Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: During the 100th Congress, the Committee on Ways and Means completed action on the first major welfare reform legislation in decades, the Family Support Act of 1988 (Public Law 100-485). This new law will assure that families receiving Aid to Families with Dependent Children (AFDC) will be offered the education and training services they need to become self-sufficient. It also strengthens our nation's child support enforcement program in an effort to guarantee that children are supported by both parents.

To supplement the committee's ongoing effort to create useful source materials about programs within our jurisdiction, this general explanation of the Family Support Act of 1988 has been developed. It contains an overview of the act, a detailed explanation of the new law, an inventory of the effective dates for selected provisions, and the cost estimates that were developed at the time the Family Support Act was signed into law.

We hope this document will serve as a valuable reference document for members, staff, other government officials, and the general public.

Sincerely yours,

ROBERT J. LEONARD,
Chief Counsel.

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LEGISLATIVE BACKGROUND OF THE ACT

During the 100th Congress, the Committee on Ways and Means Subcommittee on Public Assistance and Unemployment Compensation held seven welfare reform hearings. On January 28, 1987, February 19, 1987, and March 4, 6, 10, 11, and 13, 1987 the Subcommittee held general hearings on the need for welfare reform (Serial 100-14). Following these hearings, the Family Welfare Reform Act of 1987, H.R. 1720, was introduced. On March 30 and April 1, 1987, the Subcommittee held hearings on H.R. 1720 (Serial 100-38).

Upon introduction, H.R. 1720 was referred to three House Committees: the Committee on Ways and Means, the Committee on Education and Labor, and the Committee on Energy and Commerce. The Committee on Ways and Means reported H.R. 1720 to the House on June 17, 1987 (Report 100-159, Part I). The Education and Labor Committee reported H.R. 1720 on August 7, 1987 (Report 100-159, Part II) and the Energy and Commerce Committee reported H.R. 1720 on September 15, 1987 (Report 100-159, Part III).

The bill passed the House on December 16, 1987 by a vote of 230-194. The Senate Finance Committee reported a companion bill, S. 1511, on May 27, 1988 (Report 100-377); the Senate passed its version of the bill, with an amendment, on June 16, 1988. The vote was 93-3.

The final bill, the Family Support Act of 1988 passed both the House and the Senate on September 30, 1988, and was signed into law by the President on October 13, 1988 (Public Law 100-485).

This print presents an overview of the Family Support Act of 1988 and includes a detailed summary of the new law, an explanation of the effective dates for each major provision, and the final estimates, prepared by the Congressional Budget Office (CBO) and the Joint Committee on Taxation of the budget effect of the bill for Federal, State, and local governments.

I. OVERVIEW OF THE FAMILY SUPPORT ACT OF 1988

A. CHILD SUPPORT AND THE ESTABLISHMENT OF PATERNITY

- Requires that judges and other officials use State guidelines to set child support awards.
- Requires States to make all parties in a contested paternity case take a genetic test if requested by any party, and provides a Federal matching rate of 90 percent.
- Requires that States implement a computerized tracking and monitoring system for child support enforcement, and provides a Federal matching rate of 90 percent.
- Requires States to automatically withhold child support payments from the wages of a noncustodial parent, unless there is good cause not to require withholding or a written agreement between both parents. For AFDC families, this requirement applies to child support orders issued or modified 25 months after enactment. For non-AFDC families, this requirement applies to all orders initially issued on or after January 1, 1994.

B. THE JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (JOBS) PROGRAM

- Requires each State to operate a JOBS program that includes a broad range of services and activities including education, job training and job readiness activities. Programs must include at least two of the following four activities: job search, CWEP or other work experience, grant diversion, or on-the-job training.
- Requires that nonexempt AFDC recipients participate in the JOBS program. Exemptions would be granted to those who are: (1) ill or incapacitated; (2) needed in the home to care for a household member; (3) parents caring for a young child; (4) working 30 or more hours a week; (5) children under age 16 or attending school; (6) women in at least the second trimester of pregnancy; and (7) residing in an area where the program is not available.
- Establishes minimum JOBS participation rates for the nonexempt AFDC caseload in each State (7 percent for fiscal year 1990, growing to 20 percent for fiscal year 1995).
- Provides for matching funds in the form of a capped entitlement. Funding would total \$600 million in fiscal year 1989, growing to \$1.3 billion by fiscal year 1995.
- Requires that JOBS funds be targeted on those families most likely to have long stays on welfare: (1) families in which the custodial parent is under age 24 and has not completed high school or has had little or no recent work experience; (2) families in which the youngest child is within 2 years of being ineligible for assistance because of age; and (3) families who have

received assistance for more than 36 months in the preceding 60-month period.

C. SUPPORTIVE ASSISTANCE FOR FAMILIES WORKING TO LEAVE WELFARE

- Requires that States guarantee child care if it is necessary for employment or education and training activities, and provides Federal matching funds at the Medicaid rate.
- Requires that States reimburse JOBS participants for necessary transportation and other work-related supportive services, and provides Federal matching funds at a 50 percent rate (subject to the cap on JOBS funding).
- Raises the earned income disregard from \$75 per month to \$90 per month, raises the child care expenses allowance by \$15 (\$40 for children under age 2), alters the sequencing of the disregards, and requires that States disregard the earned income tax credit when computing AFDC benefits.

D. TRANSITIONAL ASSISTANCE FOR FAMILIES WHO LEAVE WELFARE

- Requires that States provide transitional child care benefits for one year to families who leave welfare because of work, if the care is needed for employment. States must establish sliding-scale fee schedules based on ability to pay.
- Requires that States extend Medicaid coverage for one year to families who leave welfare because of work. States may impose an income-related premium for health coverage during the second 6-month period for families with incomes above the poverty level.

E. THE AFDC-UP PROGRAM

- Requires that all States have a program which provides AFDC benefits to two-parent families (AFDC-UP). Requires States that currently have an AFDC-UP program to continue to operate it without a time limit on eligibility. Other States could choose to limit AFDC-UP benefits to as few as 6 months in any 12-month period.
- Requires that States provide full Medicaid coverage to families eligible for AFDC-UP, even in months when benefits are not paid because of the time limit.
- Requires that, effective 1994-1998, a parent in each AFDC-UP family participate at least 16 hours per week in a work activity. Establishes minimum JOBS participation rates for the AFDC-UP caseload in each State (40 percent for fiscal year 1994, growing to 75 percent for fiscal years 1997 and 1998).

F. OTHER MAJOR AMENDMENTS

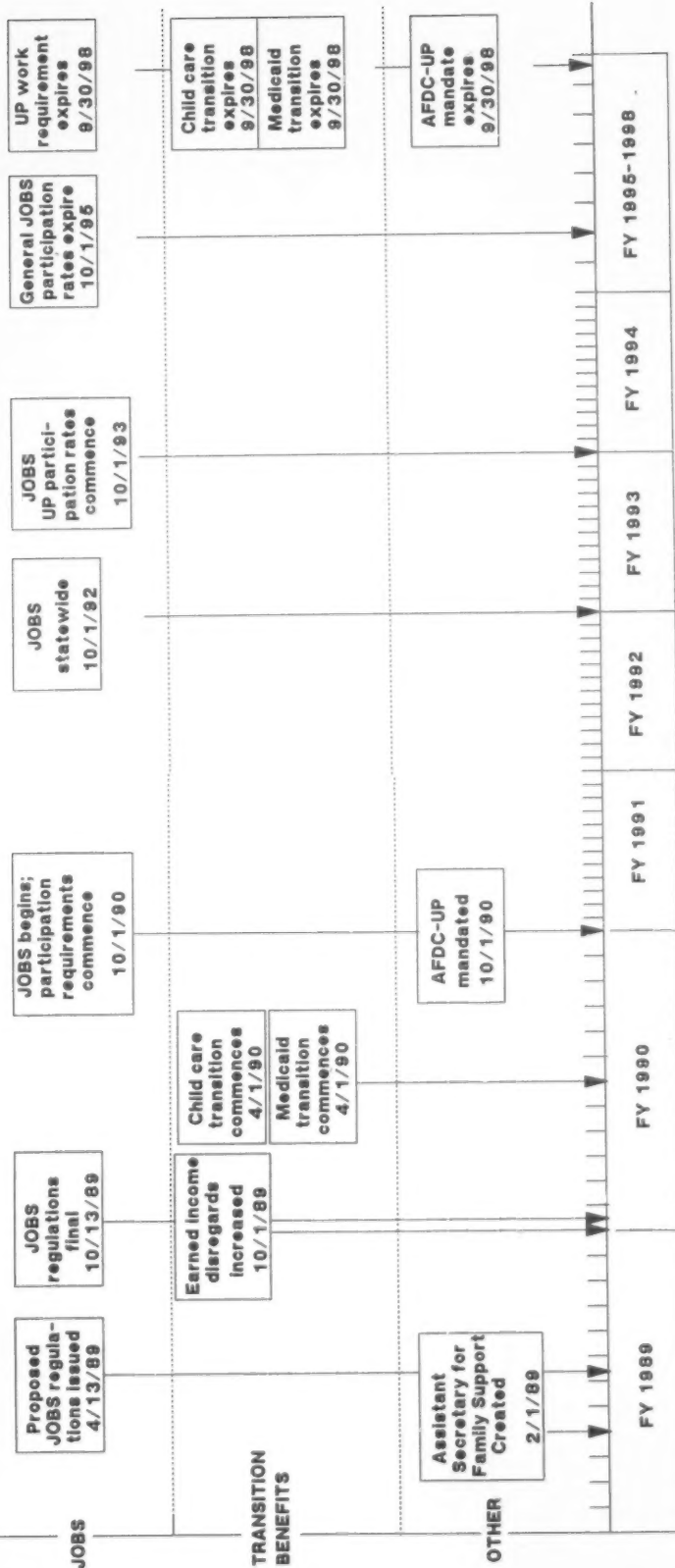
- Allows States to require minor parents to live with their parents in order to receive AFDC benefits.
- Authorizes American Samoa to participate in all programs under title IV of the Social Security Act. Funding is limited to \$1 million per year for AFDC, foster care and adoption assist-

ance. Raises the limits on grants to Puerto Rico, the Virgin Islands, and Guam to \$82, \$2.8, and \$3.8 million, respectively.

G. REVENUE PROVISIONS

- Extends for 5 years the program for IRS collection of nontax debts owed to Federal agencies.
- Lowers the age of a dependent for whom the child care credit or exclusion may be claimed to ages under 13 (rather than 15, as under present law).
- Reduces amounts eligible for the dependent care credit by the amount of expenses excluded from taxable income by the dependent care exclusion.
- Provides that the dependent care exclusion and credit are available only if the taxpayer reports on his or her tax return the correct name, address and taxpayer identification number (TIN) of the dependent care provider. However, the taxpayer is not required to report the TIN, but only the name and address, of a child care provider which is a tax exempt charitable institution. A taxpayer who fails to report the correct name, address and TIN of the child care provider is not denied the credit or exclusion if the taxpayer can demonstrate that he or she exercised due diligence in trying to provide the information.
- Provides that a taxpayer claiming an exemption for a dependent who is at least 2 years old before the close of the taxable year (rather than 5 years old, as under present law) must include the social security number of the dependent on the taxpayer's tax return.
- Provides that expenses incurred under nonaccountable account plans, that is, plans under which the taxpayer does not have to account to his or her employer for reimbursed expenses, or return to the employer reimbursements in excess of actual expenditures, are deductible only as itemized deductions subject to the 2 percent floor.

IMPLEMENTATION SCHEDULE OF SELECTED PROVISIONS
OF THE FAMILY SUPPORT ACT OF 1988



IMPLEMENTATION SCHEDULE OF SELECTED CHILD SUPPORT PROVISIONS OF THE FAMILY SUPPORT ACT OF 1988

PATERNITY ESTABLISHMENT

Increase Fed.
\$ for paternity
establishment
10/1/88

Mandatory
genetic
tests
11/1/89

Study of
child rearing
costs due
10/13/90

Use of SSN
11/1/80

Paternity
performance
standards
10/1/81

ENFORCEMENT OF SUPPORT

Medical/child
support trans-
fer benefits
10/1/88

Final rules
on prompt
action
8/1/89

Medical/child
support
transition
expires
10/1/89

Judges must
use guide-
lines
10/13/89

IV-D periodic
review of
awards
10/13/90

IV-D immediate
income
withholding
11/1/90

Monthly notice
of support
collected
1/1/93

Immediate
wage withholding
(all other cases)
1/1/94

Awards
adjusted every
three years
10/13/93

INTERSTATE ENFORCEMENT

Federal
interstate
agreement
1/11/89

Appoint
interstate
commission
7/1/89

States make
interstate
available
1/1/90

Interstate
commission
reports
5/1/91

Automated track-
ing and monitoring
systems must be in
effect 10/1/95

FY 1989

FY 1990

FY 1991

FY 1992

FY 1993

FY 1994

FY 1995-1998

II. GENERAL EXPLANATION OF THE FAMILY SUPPORT ACT OF 1988

A. CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

1. *Guidelines for Child Support Award Amounts*

Judges and other officials are required to use State guidelines for child support unless they are rebutted by a written finding that applying the guidelines would be unjust or inappropriate in a particular case. States must review guidelines for awards every 4 years. Beginning 5 years after enactment, States generally must review and adjust individual case awards every 3 years for AFDC cases. The same applies to other IV-D cases, except review and adjustment must be at the request of a parent.

2. *Establishment of Paternity*

States are required to meet Federal standards for the establishment of paternity. The standard relates to the percentage obtained by dividing the number of children in the State who are born out of wedlock, are receiving cash benefits or IV-D child support services, and for whom paternity has been established by the number of children who are born out of wedlock and are receiving cash benefits or IV-D child support services. To meet Federal requirements, this percentage in a State must: (1) be at least 50 percent; (2) be at least equal to the average for all States; or (3) have increased by 3 percentage points from fiscal year 1988 to 1991 and by 3 percentage points each year thereafter.

States are mandated to require all parties in a contested paternity case to take a genetic test upon request of any party.

The Federal matching rate for laboratory testing to establish paternity is set at 90 percent.

3. *Disregard of Child Support*

The child support enforcement disregard authorized under the Deficit Reduction Act of 1984 is clarified so that it applies to a payment made by the noncustodial parent in the month it was due even though it was received in a subsequent month.

4. *Requirement for Prompt State Response*

The Secretary of Health and Human Services is required to set time limits within which States must accept and respond to requests for assistance in establishing and enforcing support orders as well as time limits within which child support payments collected by the State IV-D agency must be distributed to the families to whom they are owed.

5. Requirement for Automated Tracking and Monitoring System

Every State that does not have a Statewide automated tracking and monitoring system in effect must submit an advance planning document that meets Federal requirements by October 1, 1991. The Secretary must approve each document within 9 months after submission. By October 1, 1995, every State must have an approved system in effect. Federal matching rates of 90 percent for this activity will expire after September 30, 1995.

6. Interstate Enforcement

A Commission on Interstate Child Support is established to hold one or more national conferences on interstate child support enforcement reform, and to report to Congress no later than October 1, 1990 on recommendations for improvements in the system and revisions in the Uniform Reciprocal Enforcement of Support Act.

7. Exclude Interstate Demonstration Grants in Computing Incentive Payments

Amounts spent by States for interstate demonstration projects are excluded from calculating the amount of the States' incentive payments.

8. Use of INTERNET System

The Secretaries of Labor and HHS are required to enter into an agreement to give the Federal Parent Locator Service prompt access to wage and unemployment compensation claims information useful in locating absent parents.

9. Wage Withholding

With respect to IV-D cases, each State must provide for immediate wage withholding in the case of orders that are issued or modified on or after the first day of the 25th month beginning after the date of enactment unless: (1) one of the parties demonstrates, and the court finds, that there is good cause not to require such withholding; or (2) there is a written agreement between both parties providing for an alternative arrangement. Present law requirements for mandatory wage withholding in cases where payments are in arrears apply to orders that are not subject to immediate wage withholding.

States are required to provide for immediate wage withholding for all support orders initially issued on or after January 1, 1994, regardless of whether a parent has applied for IV-D services.

10. Work and Training Demonstration Programs for Noncustodial Parents

The Secretary of HHS is required to grant waivers to up to 5 States to allow them to provide services to noncustodial parents under the JOBS program. No new power is granted to the States to require participation by noncustodial parents.

11. Data Collection and Reporting

The Secretary of HHS is required to collect and maintain State-by-State statistics on paternity determination, location of absent parent for the purpose of establishing a support obligation, enforcement of a child support obligation, and location of absent parent for the purpose of enforcing or modifying an established obligation.

12. Use of Social Security Number

Each State must, in the administration of any law involving the issuance of a birth certificate, require each parent to furnish his or her social security number (SSN), unless the State finds good cause for not requiring the parent to furnish it. The SSN shall not appear on the birth certificate, and the use of the SSN obtained through the birth record is restricted to child support enforcement purposes except under certain circumstances.

13. Notification of Support Collected

Each State is required to inform families receiving AFDC of the amount of support collected on their behalf on a monthly basis, rather than annually as provided under present law. States may provide quarterly notification if the Secretary of HHS determines that monthly reporting imposes an unreasonable administrative burden. This provision is effective 4 years after the date of enactment.

B. JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM

1. Purpose

Each State is be required to establish and operate a Job Opportunities and Basic Skills Training (JOBS) program to assure that needy families with children obtain the education, training and employment that will help them avoid long-term welfare dependence.

2. Requirement for a Statewide Program

Not later than 2 years after the mandatory effective date, the State must make the program available in each subdivision of the State where it is feasible. If the State determines that the program is not to be available in all political subdivisions, it must provide appropriate justification to the Secretary.

3. State Plan Requirements

Each State must develop and periodically update a State plan (approved by the Secretary) describing how the State intends to implement the program in conformity with the requirements of the statute including requirements with regard to contract authority, private sector involvement, and coordination.

4. Federal Administrative Responsibility

A new Office of Assistant Secretary of HHS will be established as of February 1, 1989 to administer the new welfare program. The Secretaries of HHS and Labor are required to issue joint regula-

tions with respect to working conditions, wage rates, workers' compensation, and displacement in JOBS program activities.

5. State and Local Administration

The State welfare agency is responsible for the administration (or supervision of the administration) of the JOBS program.

6. Coordination with other Programs

The Secretary of HHS must consult with the Secretaries of Education and Labor on a continuing basis to assure maximum coordination of services. The Governor must assure that program activities are coordinated with programs operated under JTPA and other relevant employment, training, and education programs. The State job training coordinating council must have an opportunity to review and comment on State plans. The State agency must also consult with the State education agency and the agency responsible for administering job training programs.

7. Contract Authority/Involvement of Private Sector

The State welfare agency is allowed to administer the program directly or through arrangements or contracts with JTPA administrative entities, State and local educational agencies, and with other public or private organizations (including community-based organizations as defined in section 4(5) of JTPA). The State welfare agency is required to use the services of each private industry council (PIC) to identify and provide advice on the types of jobs available or likely to become available in each JTPA service delivery area.

8. Requirement for Participation

a. *Exemption from participation.*—To the extent resources are available, States must require nonexempt AFDC recipients to participate in the JOBS program. Exempt applicants and recipients may participate on a voluntary basis. Exempt recipients would be those who are: (1) ill, incapacitated, or of advanced age; (2) needed in the home because of the illness or incapacity of another member of the household; (3) parents caring for a young child (under age 3 or a younger age selected by the State but not under age 1); (4) employed 30 or more hours a week; (5) a child under age 16 or attending, full time, an elementary, secondary or vocational school; (6) a woman who is in at least the second trimester of pregnancy; and (7) residing in an area where the program is not available.

b. *Participation Rates/Work Requirements.*—Certain minimum participation standards are established for fiscal years 1990–1995. In fiscal year 1990, at least 7 percent of the nonexempt caseload must participate in the JOBS program. The minimum participation rates in subsequent fiscal years are 7 percent in fiscal year 1991, 11 percent in fiscal years 1992–93, 15 percent in fiscal year 1994, and 20 percent in fiscal year 1995.

A parent in each Unemployed Parent (AFDC-UP) family must participate at least 16 hours per week in a work activity. This requirement is effective in fiscal years 1994–1998. The percentage of families required to meet this work requirement is 40 percent in

fiscal year 1994, 50 percent in fiscal year 1995, 60 percent in fiscal year 1996, and 75 percent in fiscal year 1997 and fiscal year 1998.

These requirements may be waived under certain circumstances.

9. Program Sanctions

a. *General Requirement.*—Sanctions must be applied to a nonexempt recipient if he or she: (1) fails without good cause to participate in the program; or (2) refuses without good cause to accept any bona fide offer of employment.

b. *Nature of Sanction.*—When the sanction is applied, the participant's needs must not be taken into account in determining the family's benefits.

c. *Length of Sanction.*—(1) in the case of the first failure to comply, until the failure to comply ceases; (2) in the case of the second failure to comply, until the failure to comply ceases or 3 months, whichever is longer; (3) in the case of any subsequent failure to comply, until the failure to comply ceases or 6 months, whichever is longer.

Lack of child care necessary for participation, or failure of the State agency to provide necessary child care, is good cause for refusal to participate or accept employment.

10. Fair Hearing

States may use the regular AFDC hearing process or one specially designed for the JOBS program. Assistance may not be suspended, reduced, discontinued, or terminated until an individual is provided a fair hearing meeting the due process standards set forth by the U.S. Supreme Court in *Goldberg v. Kelly*, 1970.

11. Assessment and Certification

The State agency must assess: (1) the education, child care, and supportive services needs of each participant; (2) the work experience and employment skills of each participant; and (3) each individual's family circumstances. The State may review the needs of the children as well as those of the adult caretaker.

12. Employability Plan

The State must develop an employability plan for each participant. The plan must be developed in consultation with the participant.

13. Contract/Agreement

States may require each participant to negotiate and enter into an agreement with the agency that specifies such matters as the participant's obligations, duration of participation, and activities and services to be provided by the State. Individuals must be assisted in reviewing and understanding the agreement.

14. Case Management

States may require the assignment of a case manager to each participant's family.

15. Orientation

The State agency must assure that all applicants and recipients are encouraged, assisted and required to fulfill their responsibilities to support their children by preparing for, seeking, accepting, and retaining such employment as they are capable of performing. The State agency must inform applicants and recipients of the JOBS activities and services for which they are eligible, the obligations of the State agency, and the rights, responsibilities, and obligations of participants in the JOBS program.

With respect to child care, the State agency must: (1) provide information on the types and locations of child care services accessible to participants; (2) inform participants that assistance is available to help them select appropriate child care services; and (3) upon request, provide assistance to participants in obtaining child care services.

16. Program Standards

a. *Work Standards.*—The State agency must assure that: (1) an assignment takes into account the physical capacity, skills, experience, health and safety, family responsibilities, and place of residence of the participant; (2) individuals are not discriminated against; (3) conditions of participation are reasonable; and (4) a participant is not be required, without his consent, to travel an unreasonable distance from home or remain away from home overnight to participate.

b. *Wage Rates.*—Under the CWEP program for the first 9 months the maximum number of hours of required participation would be determined by dividing the AFDC payment by the higher of the applicable State or Federal minimum wage. After 9 months, the wage rate must be the same as for a regular employee doing the same work for the same employer, at the same site.

c. *Displacement.*—No work assignment may result in: (1) the displacement of a currently employed worker or position; (2) impairment of existing contracts for services or collective bargaining agreements; (3) the employment of the participant when (A) any other person is on layoff from the same or any equivalent position, or (B) the employer has terminated any regular employee or otherwise reduced his workforce with the effect of filling the vacancy with a participant under the JOBS program; and (4) any infringement of the promotional opportunities of any currently employed individual. Participants in CEWP, work experience, and work supplementation may not fill established unfilled positions.

d. *Net Loss of Income.*—Participants may not be required to accept a job under the JOBS program unless the State agency assures that the participant's family will experience no net loss of cash income resulting from acceptance of the job.

17. Types of Services and Activities

State JOBS programs must provide for a broad range of services and activities including, among others, education, job training and readiness activities. Programs must include at least two out of the following four activities: job search, CWEP or other work experience, grant diversion, or on-the-job training (OJT).

18. Federal/State Funding

Funding is in the form of a capped entitlement. The Federal matching rate is 90 percent for expenditures up to the amount allotted for WIN in fiscal year 1987. Of additional amounts, the Federal match would be at the Medicaid matching rate, with a minimum Federal match of 60 percent for nonadministrative costs and for personnel costs for full-time staff working on the JOBS program. The match for other administrative costs would be 50 percent. States receive an amount equal to their WIN allotment for fiscal year 1987 (\$126 million for all States). The cap on the entitlement funding is \$600 million in fiscal year 1989, \$800 million in fiscal year 1990, \$1 billion in fiscal years 1991, 1992, and 1993, \$1.1 billion in fiscal year 1994, and \$1.3 billion in fiscal year 1995. JOBS program funds may not be used for construction.

19. Priority/Target Population

Federal matching will be reduced to 50 percent unless 55 percent of funds is spent on the following target populations: (1) families in which the custodial parent is under age 24 and (a) has not completed high school or is not enrolled in high school or an equivalent course, or (b) had little or no work experience in the preceding year; (2) families in which the youngest child is within 2 years of being ineligible for assistance because of age; (3) families who have received assistance for more than 36 months during the preceding 60-month period. Volunteers must receive first consideration within target groups.

20. Grievance Procedure

States must establish and maintain grievance procedures for resolving complaints by regular employees or their representatives that assignments violate displacement provisions. State decisions may be appealed to the Secretary of Labor.

21. Performance Standards and Reporting Requirements

No later than 3 years after the mandatory effective date of the program, the Secretary must develop performance standards and submit recommendations to the Committees with jurisdiction over the program. Performance must be measured by outcome and not only by levels of activity or participation, and must be based on the degree of success which may be expected in helping participants increase earnings, achieve self-sufficiency, and reduce welfare dependence.

22. Evaluations/Effectiveness Studies

Implementation and effectiveness studies are authorized. For the evaluation study, an advisory panel to design, implement, and monitor the study will be established.

23. WIN Transition/Effective Date

The WIN program is repealed effective October 1, 1990 and replaced with the JOBS program. States may implement the JOBS program earlier, after proposed regulations have been published.

C. TRANSITIONAL ASSISTANCE FOR FAMILIES AFTER LOSS OF AFDC ELIGIBILITY

1. *Child Care During Participation in Work, Education, and Training*

a. *General Requirement.*—The State agency is required to guarantee child care if it determines that child care is necessary for an individual's employment. Child care must also be guaranteed for education and training activities if the State agency approves the activity and determines that the individual is participating satisfactorily. The State must take account of the individual needs of the child whenever it arranges child care.

b. *Methods of Providing/Reimbursing.*—The State agency may provide care itself, arrange care by use of contract or vouchers, provide cash or vouchers in advance to the caretaker relative, reimburse the caretaker relative, or adopt any other arrangements deemed appropriate by the agency. Reimbursement for the cost of care may not be less than the amount of the child care disregard for which the family is otherwise eligible nor more than actual cost or applicable local market rates, regardless of the method selected to provide care.

c. *Federal Matching Rate.*—The Federal matching rate is the Medicaid rate.

d. *Child Care Standards.*—Child care must meet applicable standards of State and local law. States are required to develop guidelines for family day care. States are required to establish procedures to assure that center-based child care will be subject to requirements designed to ensure basic health and safety, including fire safety, protections. The State must also develop guidelines for family day care. The State is required to provide the Secretary a description of these State and local determined requirements and guidelines, which will be used to report to Congress on the nature and content of State and local standards for health and safety. An amount of \$13 million is authorized for each of fiscal year 1990 and fiscal year 1991 for grants to States to improve their child care licensing and registration requirements and procedures, and to monitor child care provided to AFDC children.

e. *Income and Tax Treatment of Child Care Benefits.*—The value of day care provided would not be treated as income for any other Federal or Federally-assisted need-based program and may not be claimed as an employment-related expense for tax purposes.

2. *Transitional Child Care Assistance*

a. *General Requirement.*—Child care must be guaranteed to the extent the care is determined by the State agency to be necessary for an individual's employment in any case where a family has ceased to receive assistance as a result of increased hours of, or increased income from employment, or as a result of the loss of earnings disregards.

b. *Limitations on Assistance.*—Child care is limited to 12 months after the last month for which the family received assistance. The Secretary of HHS is directed to study the extent to which individuals return to the welfare rolls to requalify for additional months of transitional benefits. If the study shows that this has occurred,

the Secretary is required to issue regulations to restrict requalification.

c. *Fee Requirement.*—The States must establish sliding-scale fee schedules based on the ability to pay of the family.

d. *Study of Effects.*—The Secretary of HHS is required to study the effectiveness of the child care transition and report to Congress by January 1, 1993.

e. *Termination of Child Care Transition.*—The provision takes effect on April 1, 1990 and expires after September 30, 1998.

3. *Transportation and Work-Related Expenses*

The State must provide payment or reimbursement for necessary transportation and other work-related supportive services that the State determines are necessary to enable an individual to participate in JOBS. Federal matching is 50 percent, subject to the cap on JOBS funding.

4. *Transitional Medical Assistance*

The States must extend Medicaid coverage for one year to families who leave cash assistance because of earnings. During the second 6 month period, States may impose an income-related premium on families with incomes above the Federal poverty level. This provision takes effect on April 1, 1990 and expires after September 30, 1998, when the current law 4-month transitional benefit would be reinstated.

5. *Disregard of Income*

a. *Changes in Income Disregards.*—The standard income disregard increases from \$75 to \$90. The disregard for child care costs increases from \$160 to \$175 per child per month (\$200 for a child under 2 years old) and is calculated after other disregard provisions.

b. *Treatment of Earned Income Tax Credit.*—The earned income tax credit may not reduce AFDC benefits.

D. RELATED AFDC AMENDMENTS

1. *Benefits for Unemployed Parents (AFDC-UP)*

States are required to have an unemployed parent program. States that have an unemployed parent program as of September 26, 1988 must continue operating such programs without any time limit on eligibility. Other States may limit benefits to as few as 6 months in any 12-month period. States are required to provide full Medicaid coverage to all family members even in months when benefits are not paid because of the time limit. The provisions relating to benefits for unemployed parents are effective October 1, 1990 and terminate September 30, 1998.

2. *Benefits for Minor Parents*

States may require minor parents to live with their parents in order to receive AFDC benefits.

3. Need and Payment Standards

Each State must reevaluate its need and payment standards every 3 years.

4. Study of Alternative Minimum Benefit Proposals

Studies by the National Academy of Sciences and the Congressional Budget Office (CBO) of minimum benefit proposals are required.

E. DEMONSTRATION PROJECTS

1. Family Support Demonstrations

Four family support demonstration projects are authorized on education and training programs for children, early childhood development programs, community-based family support services and using nonprofit organizations to create employment opportunities.

2. Other Demonstrations

Other demonstration projects are authorized, including training AFDC mothers as paid day care providers, projects to provide counseling and services to high-risk teenagers, and an extension of the Minnesota Medicaid demonstration project.

F. MISCELLANEOUS PROVISIONS

1. Uniform Reporting Requirements

The Secretary must establish uniform reporting requirements to ensure effective implementation of the Medicaid and child care transitions.

2. State Reports on Social Service Funds

States must submit annual reports including specific data. The Secretary of HHS is directed to establish uniform definitions.

3. Provisions Affecting Puerto Rico, The Virgin Islands, Guam, and American Samoa

American Samoa is authorized to participate in all programs under title IV of the Social Security Act. Its funding is limited to \$1 million per year for AFDC, foster care, and adoption assistance. Limits on grants to Puerto Rico, Virgin Islands, and Guam are raised to \$82, \$2.8, and \$3.8 million, respectively.

4. AFDC Quality Control

The moratorium on collections of disallowances is extended under the AFDC Quality Control system until July 1, 1989.

5. Preeligibility Fraud Detection

The Secretary of HHS must develop regulations that allow a range of fraud detection activities.

6. Revenue Provisions

Extends for 5 years the program for IRS collection of nontax debts owed to Federal agencies.

Lowers the age of a dependent for whom the child care credit or exclusion may be claimed to ages under 13 (rather than 15, as under present law).

Reduces amounts eligible for the dependent care credit by the amount of expenses excluded from taxable income by the dependent care exclusion.

Provides that the dependent care exclusion and credit are available only if the taxpayer reports on his or her tax return the correct name, address and taxpayer identification number (TIN) of the dependent care provider. However, the taxpayer is not required to report the TIN, but only the name and address, of a child care provider which is a tax exempt charitable institution. A taxpayer who fails to report the correct name, address and TIN of the child care provider is not denied the credit or exclusion if the taxpayer can demonstrate that he or she exercised due diligence in trying to provide the information.

Provides that a taxpayer claiming an exemption for a dependent who is at least 2 years old before the close of the taxable year (rather than 5 years old, as under present law) must include the social security number of the dependent on the taxpayer's tax return.

Provides that expenses incurred under nonaccountable account plans, that is, plans under which the taxpayer does not have to account to his or her employer for reimbursed expenses, or return to the employer reimbursements in excess of actual expenditures, are deductible only as itemized deductions subject to the 2 percent floor.

III. EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988

[IN ORDER BY TITLE]

TITLE I. CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

Section 101. Immediate Income Withholding

Applicable to support orders (AFDC and non-AFDC) being enforced by the IV-D agency that are issued or modified on or after November 1, 1990.

Study on making immediate income withholding mandatory in all cases in a State is due October 13, 1991.

Applicable to all support orders that are issued initially in a State on or after January 1, 1994, and are not being enforced by the IV-D agency.

Section 102. Disregard Applicable to Timely Child Support Payments

January 1, 1989.

Clarifies that the child support disregard applies to a payment whenever the noncustodial parent pays child support in the month it was due even though it was received by the support agency in a subsequent month.

Section 103. State Guidelines for Child Support Award Amounts

October 13, 1989.

Guidelines to Create Rebuttable Presumption.—Judges and other officials are required to use State guidelines for child support unless they find in writing that applying the guidelines would be unjust or inappropriate in a particular case. States must review guidelines for awards every 4 years.

State Law Requirements for Review of Individual Awards.—Beginning October 13, 1990, if the State determines that a child support order being enforced under the child support enforcement program should be reviewed, the State must, at the request of either parent subject to the order, or of a State child support enforcement agency, initiate a review of such order, and adjust such order in accordance with guidelines under Title IV-D of the Social Security Act.

Beginning October 13, 1993 or earlier at State discretion, States generally must review and adjust individual case awards every 3 years unless it is determined to be not in the best interests of a child on AFDC and neither parent has requested a review or in the case of other IV-D cases, neither parent requested a review.

Study of Impact of Extending Periodic Review Requirements to All Other Cases.—By October 13, 1990 the Secretary of HHS must

complete a study of the impact on child support awards and the courts of requiring each State to periodically review all child support orders in effect in the State.

Demonstration Projects for Evaluating Model Procedures for Reviewing Child Support Awards.—Not later than April 1, 1989 the Secretary must enter into agreements with 4 States to conduct demonstration projects to evaluate model procedures for reviewing child support award amounts. The Federal government will reimburse States for 90 percent of the costs. Costs will not be counted in the calculation of incentive payments. Demonstration projects must begin no later than September 30, 1989. Projects must be completed by September 30, 1991. The Secretary must report to Congress on the demonstrations by March 31, 1992.

Section 104. Timing of Notice of Support Payment Collections

January 1, 1993.

Each State is required to inform families receiving AFDC of the amount of support collected on their behalf on a monthly basis, rather than annually as provided under present law. States may provide quarterly notification if the Secretary of HHS determines that monthly reporting imposes an unreasonable administrative burden.

Section 111. Performance Standards for State Paternity Establishment Programs

October 13, 1988.

States are required to meet Federal standards for the establishment of paternity.

States are required to establish paternity for all children in families receiving AFDC as soon as possible after the child's birth, but in any event before the child's 18th birthday. Also, this provision applies retroactively as of August 16, 1984 to any child for whom a paternity action was brought but dismissed because time expired under a statute of limitations with an age limit lower than 18.

States are encouraged to adopt a simple civil process for voluntarily acknowledging paternity and a civil procedure for establishing paternity in contested cases.

Other provisions effective November 1, 1989 are: genetic tests may be required by contesting party; and States may charge individuals not receiving AFDC for costs of genetic tests to establish paternity.

Section 112. Increased Federal Assistance for Paternity Establishment

October 1, 1988.

Raises the Federal matching rate to 90 percent for laboratory costs incurred by States in determining paternity.

Section 121. Requirement of Prompt State Response to Requests for Child Support Assistance

Not later than April 11, 1989 (180 days after October 13, 1988) the Secretary must issue a notice of proposed rulemaking and, after allowing not less than 60 days for public comment, must issue final regulations not later than August 1, 1989. The Secretary must

set time limits within which States must provide services. By December 12, 1988 the Secretary must establish an advisory committee on regulations.

Section 122. Requirement of Prompt State Distribution of Amounts Collected as Child Support

Not later than April 11, 1989 (180 days after October 13, 1988) the Secretary must issue a notice of proposed rulemaking, and after allowing not less than 60 days for public comment, must issue final regulations not later than August 1, 1989. The Secretary must set time limits within which States must distribute child support payments they have collected.

Section 123. Automated Tracking and Monitoring Systems Made Mandatory

A State that does not have in effect an automated data processing and information retrieval system meeting all requirements must submit to the Secretary by October 1, 1991 (for review and approval within 9 months after submittal) an advanced automated data processing planning document and must have in effect by October 1, 1995, an operational automated data processing and information retrieval system, which has been approved by the Secretary.

Effective September 30, 1995, the 90 percent Federal matching rate for automated data processing and information systems is repealed.

Section 124. Additional Information Source for Parent Locator Service

January 1, 1990.

The Secretaries of Labor and Health and Human Services must enter into an agreement on access to wage and unemployment compensation data not later than January 11, 1989 (within 90 days of October 13, 1988).

Section 125. Use of Social Security Number to Establish Identity of Parents

November 1, 1990.

At the time of a child's birth, each parent must furnish to the State the social security number issued to the parent, unless the State finds good cause for not requiring a parent to comply.

Section 126. Commission on Interstate Child Support

Members of the Commission must be appointed by July 1, 1989. The Commission must hold one or more national conferences in fiscal year 1990 and must submit its recommendations not later than May 1, 1991. The Commission expires July 1, 1991.

Section 127. Costs of Interstate Enforcement Demonstrations Excluded in Computing Incentive Payments

October 13, 1988.

Section 128. Study of Child-Rearing Costs

Report due not later than October 13, 1990.

Section 129. Collection and Reporting of Child Support Enforcement Data

October 13, 1988.

TITLE II. JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM (JOBS)

Regulations. Not later than April 13, 1989 the Secretary must issue proposed regulations. Final regulations must be published not later than October 13, 1989.

In general, the JOBS program is effective October 1, 1990.

If any State has an approved plan and notifies the Secretary of its desire to become subject to the JOBS program as of the first day of any calendar quarter beginning on or after the date on which the proposed regulations are published (or are required to be published) and before October 1, 1990, the JOBS program will become effective in that State as of such first day.

Effective October 1, 1992, each State must make the JOBS program available in each political subdivision of the State where it is feasible to do so.

General participation rate requirements are effective no later than October 1, 1990 and they are repealed as of October 1, 1995. However, no fiscal penalty applies for fiscal year 1990.

Participation rate standards for the AFDC-UP 16-hour work requirement take effect on October 1, 1993 and are repealed as of October 1, 1998.

The Secretary of HHS must convene an advisory panel to design, implement, and monitor a series of implementation and evaluation studies to assess the effects of the programs under the Family Support Act of 1988.

The Secretary of HHS must submit recommendations for performance standards to Congress by October 1, 1993.

Applications to provide the JOBS program to Indians are due April 13, 1989. The Secretaries of HHS and Interior must study the potential effectiveness of JOBS programs for Indians and report to Congress by October 13, 1989.

TITLE III. SUPPORTIVE SERVICES FOR FAMILIES

Section 301. Child Care During Participation in Employment, Education, and Training

The State agency must guarantee child care to the extent that it is determined by the agency to be necessary for an individual's employment, education and training activities, effective with respect to a State on the same date the JOBS program becomes effective in the State.

By October 1, 1992, the Secretary of HHS must report to Congress on the nature and content of State and local child care standards for health and safety.

For fiscal years 1990 and 1991, the Secretary of HHS is authorized to make grants to States to improve their child care licensing and registration requirements and procedures, and to monitor child care provided to children receiving AFDC.

Section 302. Extended Eligibility for Child Care

April 1, 1990.

Requires the State to provide transitional child care for 12 months after the last month for which the family actually received assistance if the family has ceased to receive assistance as a result of increased hours of or increased income from employment or as a result of the loss of earnings disregards. This provision is repealed effective September 30, 1998.

The Secretary of HHS must conduct a study to determine whether individuals who ceased receiving AFDC have begun again to receive AFDC in order to requalify for additional months of transition benefits. If the study confirms this, the Secretary must issue regulations that restrict such requalification not earlier than October 1, 1991.

The Secretary of HHS must conduct a study of the effectiveness of the child care transition benefits at reducing welfare dependence and assisting families in making the transition from welfare to employment and report to Congress not later than September 30, 1997.

Section 303. Extended Eligibility for Medical Assistance

April 1, 1990 (Except in Kentucky where it is effective on October 1, 1990.)

Requires the State to extend Medicaid coverage for 12 months to families who leave AFDC because of earnings. During the second 6-month period, States would have the option to impose an income-related premium on families with income above the Federal poverty level. This provision would expire after September 30, 1998, when the prior law 4-month transitional benefit would be reinstated.

The Secretary of HHS must submit a report to Congress on the costs and impact on welfare dependence of the Medicaid transition not later than April 1, 1993.

The 4-month extension of Medicaid for those who lose eligibility because of child support payments is extended from October 1, 1988 to October 1, 1989.

TITLE IV. RELATED AFDC AMENDMENTS

Section 401. Benefits for Two-Parent Families

In general, October 1, 1990.

For American Samoa, Guam, Puerto Rico, and the Virgin Islands, October 1, 1992.

Requires all States to operate an AFDC program for two-parent families in which the principal earner is unemployed (known as AFDC-UP). States that have an unemployed parent program as of September 26, 1988 would be required to continue operating such programs without any time limit on eligibility. Other States could choose to limit benefits to as few as 6 months in any 12-month period. States are required to provide full Medicaid coverage to all family members. The provisions relating to benefits for unemployed parents would be repealed effective after September 30, 1998 (return to current law).

Section 402. Changes in Earned Income Disregards

October 1, 1989.

Increases the standard income disregard from \$75 to \$90 and the child care disregard from \$160 to \$175 per child per month (\$200 for a child under 2 years old). Also changes the order of the disregards and disregards the earned income tax credit.

Section 403. Households Headed by Minor Parents

January 1, 1990.

Allows States to require minor parents to live with their parents in order to receive AFDC benefits.

Section 404. Periodic Reevaluation of Need and Payment Standards

October 13, 1988.

Required at least once every 3 years.

Section 405. CBO Study on Implementation of National Minimum Payment Standard

Report due no later than October 13, 1989.

Section 406. Study of New National Approaches to Welfare Benefits for Low-Income Families with Children

Report due no later than October 13, 1990.

TITLE V. DEMONSTRATION PROJECTS

Section 501. Family Support Demonstration Projects

Authorized for fiscal years 1990, 1991, and 1992.

Demonstration projects include education and training programs for children, early childhood development programs, community-based family support services, and using nonprofit organizations to create employment opportunities.

Section 502. Demonstration Projects to Encourage States to Employ Parents Receiving AFDC as Paid Child Care Providers

Authorized for fiscal years 1990, 1991, and 1992.

Section 503. Demonstration Projects to Test Alternative Definitions of Unemployment

After September 30, 1990 and before October 1, 1995.

Report due no later than 6 months after all projects completed.

Section 504. Demonstration Projects to Address Child Access Problems

Authorized for fiscal years 1990 and 1991.

Report due no later than July 1, 1992.

Section 505. Demonstration Projects to Expand the Number of Job Opportunities Available to Certain Low-income Individuals

Authorized for fiscal years 1990, 1991, and 1992.

Report due no later than January 1, 1993.

Section 506. Demonstration Projects to Provide Counseling and Services to High-Risk Teenagers

Authorized for fiscal years 1990, 1991, and 1992.
Report due no later than October 1, 1992.

Section 507. Extension of Minnesota Prepaid Medicaid Demonstration Project

Until June 30, 1990.

TITLE VI. MISCELLANEOUS PROVISIONS

Section 601. Inclusion of American Samoa as a State under Title IV
October 1, 1988.

Section 602. Increase in Amount Available for Payment to Puerto Rico, the Virgin Islands, and Guam
October 1, 1988.

Section 603. Assistant Secretary for Family Support

The AFDC, JOBS, and Child Support Enforcement programs will be administered by a new Assistant Secretary for Family Support, effective February 1, 1989.

Section 604. Responsibilities of the State

The State AFDC plan must assure that the State will provide for integrated services between the child support enforcement program and the JOBS program and that all AFDC applicants and recipients are encouraged, assisted, and required to cooperate in the establishment of paternity and enforcement of child support obligations and are notified of paternity establishment and child support services for which they may be eligible effective July 1, 1989.

Section 605. Establishment of Preeligibility Fraud Detection Measures

The State plan for AFDC must provide for appropriate measures to detect fraudulent applications for AFDC before the establishment of eligibility, effective October 1, 1989.

The Secretary of HHS must issue final regulations on the establishment of preeligibility fraud detection measures by April 13, 1989.

Section 606. Uniform Reporting Requirements

Effective October 13, 1988, requires the Secretary of HHS to establish uniform reporting requirements for the child care and Medicaid transition provisions, and for the minor parent provision.

Section 607. State Reports on Expenditure and Use of Social Services Funds

Effective October 13, 1988, provides new annual reporting requirements for State Title XX social services block grant programs.

Section 608. Miscellaneous Technical Corrections to Medicare Catastrophic Coverage Act of 1988

July 1, 1988.

Section 609. Extension of Quality Control Penalty Moratorium

Extends the moratorium on collections of disallowances. Effective July 1, 1988 to July 1, 1989.

TITLE VII. FUNDING PROVISIONS

Section 701. Temporary Extension of Provisions Relating to Collection of Nontax Debts Owed to Federal Agencies

October 13, 1988 to January 10, 1994.

Section 702. Limitation on Use of Reimbursement Arrangements to Avoid 2-Percent Floor

January 1, 1989.

Section 703. Modifications to Dependent Care Credit and Exclusion for Dependent Care Assistance

January 1, 1989.

Section 704. Taxpayer Identification Number Required for Dependents Who Have Attained Age 2

January 1, 1990.

Requires a taxpayer claiming an exemption for a dependent who is at least 2 years old before the close of the taxable year with respect to which the return is filed to include the TIN of that dependent on the tax return of the taxpayer for that taxable year.

IV. SELECTED EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988

[In Chronological Order]

Date	Provision
July 1, 1988.....	SECTION 609. Extension of Quality Control Penalty Moratorium.
Oct. 1, 1988.....	SECTION 112. Increased Federal Assistance for Paternity Establishment—Raises the Federal matching rate to 90% for laboratory costs incurred by States in determining paternity. SECTION 303. Extended Eligibility for Medical Assistance—The 4-month extension of Medicaid for those who lose eligibility because of child support payments is extended until October 1, 1989. SECTION 601. Inclusion of American Samoa as a State under Title IV. SECTION 602. Increase in Amount Available for Payment to Puerto Rico, the Virgin Islands, and Guam.
Oct. 13, 1988	SECTION 111. Performance Standards for State Paternity Establishment Programs—Standards for State Programs; Encouragement of Civil Processes; and Requirement to Permit Paternity Establishment for Child Under 18. SECTION 127. Costs of Interstate Enforcement Demonstrations Excluded in Computing Incentive Payments. SECTION 129. Collection and Reporting of Child Support Enforcement Data. SECTION 404. Periodic Reevaluation of Need and Payment Standards. SECTION 507. Extension of Minnesota Prepaid Medicaid Demonstration Project to June 30, 1990. SECTION 606. Uniform Reporting Requirements—The Secretary of HHS must establish uniform reporting requirements for the child care and Medicaid transition provisions, and for the minor parent provision. No provision is made for when States must start reporting. SECTION 701. Temporary Extension of Provisions Relating to Collection of Nontax Debts Owed to Federal Agencies.

IV. SELECTED EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988—Continued

[In Chronological Order]

Date	Provision
Dec. 12, 1988....	SECTION 121. Requirement of Prompt State Response to Requests for Child Support Assistance—The Secretary of HHS must establish an advisory committee on regulations.
Jan. 1, 1989.....	SECTION 102. Disregard Applicable to Timely Child Support Payments. SECTION 702. Limitation on Use of Reimbursement Arrangements to Avoid 2-Percent Floor. SECTION 703. Modifications to Dependent Care Credit and Exclusion for Dependent Care Assistance.
Jan. 11, 1989....	SECTION 124. Additional Information Source for Parent Locator Service—Secretaries of Labor and Health and Human Services must enter into an agreement on access to wage and unemployment compensation data.
Jan. 13, 1989....	SECTION 203. Regulations; Performance Standards; Studies—Secretary of HHS must convene an advisory panel to design, implement, and monitor a series of implementation and evaluation studies to assess the effects of the programs under the Family Support Act of 1988.
Feb. 1, 1989.....	SECTION 603. Assistant Secretary for Family Support—The AFDC, JOBS, and Child Support Enforcement programs will be administered by a new Assistant Secretary for Family Support.
Apr. 1, 1989	SECTION 103. State Guidelines for Child Support Award Amounts—Secretary of HHS must enter into agreements with 4 States to conduct demonstration projects to evaluate model procedures for reviewing child support award amounts.
Apr. 11, 1989 ...	SECTION 121. Requirement of Prompt State Response to Requests for Child Support Assistance—The Secretary of HHS must issue a notice of proposed rulemaking. SECTION 122. Requirement of Prompt State Distribution of Amounts Collected as Child Support—Secretary must issue notice of proposed rulemaking.

IV. SELECTED EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988—Continued

[In Chronological Order]

Date	Provision
Apr. 13, 1989 ...	Title II—Job Opportunities and Basic Skills Training Program regulations must be proposed by the Secretary of HHS. SECTION 201. Establishment and Operation of Program—Applications to provide JOBS programs to Indians are due. SECTION 605. Establishment of Preeligibility Fraud Detection Measures—The Secretary of HHS must issue final regulations on the establishment of preeligibility fraud detection measures.
July 1, 1989.....	SECTION 126. Commission on Interstate Child Support members must be appointed. SECTION 604. Responsibilities of the States—The State AFDC plan must assure that the State will provide for integrated services between the child support enforcement program and the JOBS program and that all AFDC applicants and recipients are encouraged, assisted, and required to cooperate in the establishment of paternity and enforcement of child support obligations and are notified of paternity establishment and child support services for which they may be eligible. SECTION 609. Extension of Quality Control Penalty Moratorium expires.
Aug. 1, 1989.....	SECTION 121. Requirement of Prompt State Response to Requests for Child Support Assistance—Secretary must issue final regulations. SECTION 122. Requirement of Prompt State Distribution of Amounts Collected as Child Support—Secretary must issue final regulation.
Sept. 30, 1989 ..	SECTION 103. State Guidelines for Child Support Award Amounts—Demonstration projects must begin.

IV. SELECTED EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988—Continued

[In Chronological Order]

Date	Provision
Oct. 1, 1989	SECTION 301. Child Care During Participation in Employment, Education, and Training—The Secretary of HHS is authorized to make grants to States for fiscal years 1990 and 1991 to improve their child care licensing and registration requirements and procedures, and to monitor child care provided to children receiving AFDC. SECTION 303. Extended Eligibility for Medical Assistance—Four-month extension of Medicaid for those who lose eligibility because of child support payments expires SECTION 402. Changes in Earned Income Disregards. SECTION 605. Establishment of Preeligibility Fraud Detection Measures.
Oct. 13, 1989	Title II JOBS program final regulations must be published SECTION 103. State Guidelines for Child Support Award Amounts SECTION 405. CBO Study on Implementation of National Minimum Payment Standard report due. SECTION 607. State Reports on Expenditure and Use of Social Services Funds
Nov. 1, 1989	SECTION 111. Performance Standards for State Paternity Establishment Programs—Genetic tests may be required by contesting party; States may charge individuals not receiving AFDC for costs of genetic tests to establish paternity.
Jan. 1, 1990	SECTION 124. Additional Information Source for Parent Locator Service—States are required to assist the Secretary of HHS in obtaining wage and unemployment compensation information. SECTION 403. Households Headed by Minor Parents. SECTION 704. Taxpayer Identification Number Required for Dependents Who Have Attained Age 2.
Apr. 1, 1990	SECTION 302. Extended Eligibility for Child Care. SECTION 303. Extended Eligibility for Medical Assistance.
June 30, 1990...	SECTION 507. Extension of Minnesota Prepaid Medicaid Demonstration Project expires.

**IV. SELECTED EFFECTIVE DATES FOR THE FAMILY
SUPPORT ACT OF 1988—Continued**

[In Chronological Order]

Date	Provision
Oct. 1, 1990	Title II JOBS program must commence if a State has not implemented it already. (General participation rate requirements are effective, but no penalty applies until fiscal year 1991.) SECTION 301. Child Care During Participation in Employment, Education, and Training—Implemented with JOBS in each State. SECTION 401. Benefits for Two-Parent Families (except American Samoa, Guam and the Virgin Islands).
Oct. 13, 1990	SECTION 103. State Guidelines for Child Support Award Amounts—State law requirement for review of individual awards is effective if the State determines that a child support order being enforced under IV-D should be reviewed or either parent subject to the order requests a review. Study of impact of extending periodic review requirements to all other cases is due. SECTION 406. Study of New National Approaches to Welfare Benefits for Low-Income Families with Children report due. SECTION 128. Study of Child-Rearing Costs report due.
Nov. 1, 1990	SECTION 101. Immediate Income Withholding on IV-D cases (AFDC and non-AFDC) in which a child support order is issued or modified. SECTION 125. Use of Social Security Number to Establish Identity of Parents.
May 1, 1991	SECTION 126. Commission on Interstate Child Support must submit recommendations to Congress.
July 1, 1991	SECTION 126. Commission on Interstate Child Support expires.
Sept. 30, 1991 ..	SECTION 103. State Guidelines for Child Support Award Amounts—Demonstration projects evaluating model procedures for reviewing child support awards must be completed.

IV. SELECTED EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988—Continued

[In Chronological Order]

Date	Provision
Oct. 1, 1991	SECTION 111. Performance Standards for State Paternity Establishment Programs—States must meet percentage paternity establishment performance standards of: (1) at least 50 percent; (2) at least equal to the average of all States; or (3) increased by 3 percentage points from fiscal years 1988 to 1991 and by 3 percentage points each year thereafter. SECTION 123. Automated Tracking and Monitoring Systems Made Mandatory—Affected States must submit to the Secretary an advance automated data processing planning document. SECTION 302. Extended Eligibility for Child Care—The Secretary must conduct a study to determine whether individuals who ceased receiving AFDC have begun again to receive AFDC in order to requalify for additional months of transition benefits. If the study confirms this, the Secretary must issue regulations that restrict qualification not earlier than this date.
Oct. 13, 1991	SECTION 101. Immediate Income Withholding—Study on making immediate income withholding mandatory in all cases due October 13, 1991.
Mar. 31, 1992...	SECTION 103. State Guidelines for Child Support Award Amounts—Secretary must report to Congress on demonstration projects for evaluating model procedures for reviewing child support awards.
July 1, 1992.....	SECTION 123. Automated Tracking and Monitoring Systems Made Mandatory—Final action must be taken on State plans by Secretary. SECTION 504. Demonstration Projects to Address Child Access Problems report due.

IV. SELECTED EFFECTIVE DATES FOR THE FAMILY SUPPORT ACT OF 1988—Continued

[In Chronological Order]

Date	Provision
Oct. 1, 1992	Title II JOBS Program Statewideness. Each State must make the JOBS program available in each political subdivision of the State where it is feasible to do so. SECTION 301. Child Care During Participation in Employment, Education, and Training—The Secretary of HHS must report to Congress on the nature and content of State and local child care standards for health and safety. SECTION 401. Benefits for Two-Parent Families in American Samoa, Guam, and the Virgin Islands. SECTION 506. Demonstration Projects to Provide Counseling and Services to High-Risk Teenagers report due.
Jan. 1, 1993	SECTION 104. Timing of Notice of Support Payment Collections—Each State is required to inform families receiving welfare of the amount of support collected on their behalf on a monthly basis, rather than annually as provided under present law. States may provide quarterly notification if the Secretary of HHS determines that monthly reporting imposes an unreasonable administrative burden. SECTION 505. Demonstration Projects to Expand the Number of Job Opportunities Available to Certain Low-income Individuals report due.
Apr. 1, 1993	SECTION 303. Extended Eligibility for Medical Assistance—The Secretary of HHS must report to Congress on the costs and impact on welfare dependence of the Medicaid transition.
Oct. 1, 1993	Title II JOBS program participation rate standards for AFDC-UP 16-hour work requirement take effect. The Secretary of HHS must submit recommendations for performance standards to Congress.
Oct. 13, 1993	SECTION 103. State Guidelines for Child Support Award Amounts—States must review and adjust individual case awards every three years unless it is determined to be not in the best interests of a child on AFDC and neither parent has requested a review or in the case of other IV-D cases, neither parent requested a review.
Jan. 1, 1994	SECTION 101. Immediate Income Withholding—All other cases of child support orders issued or modified.

**IV. SELECTED EFFECTIVE DATES FOR THE FAMILY
SUPPORT ACT OF 1988—Continued**

[In Chronological Order]

Date	Provision
Jan. 10, 1994....	SECTION 701. Temporary Extension of Provisions Relating to Collection of Nontax Debts Owed to Federal Agencies expires.
Sept. 30, 1995 ..	SECTION 123. Automated Tracking and Monitoring Systems Made Mandatory—The 90 percent Federal matching rate expires.
Oct. 1, 1995	Title II JOBS program general participation rate requirements expire. SECTION 123. Automated Tracking and Monitoring Systems Made Mandatory—All States must have in effect an operational automated data processing and information retrieval system approved by the Secretary.
Mar. 31, 1996...	SECTION 503. Demonstration Projects to Test Alternative Definitions of Unemployment report due.
Sept. 30, 1997 ..	SECTION 302. Extended Eligibility for Child Care—The Secretary of HHS must report to Congress on the effectiveness of the child care transition benefits at reducing welfare dependence and assisting families in making the transition from welfare to employment.
Sept. 30, 1998 ..	SECTION 302. Extended Eligibility for Child Care repealed. SECTION 303. Extended Eligibility for Medicaid Assistance repealed. SECTION 401. Benefits for Two-Parent Families repealed.
Oct. 1, 1998	Title II JOBS program AFDC-UP 16-hour work requirement repealed.

TABLE A-1. SUMMARY OF ESTIMATED COST TO THE FEDERAL GOVERNMENT
OF THE FAMILY SUPPORT ACT OF 1988
(By fiscal year, in millions of dollars)

	1989	1990	1991	1992	1993	Five-Year Total
Family Support Provisions (Titles I-VI)						
Direct Spending						
Estimated Budget Authority	73	364	1089	1117	963	3606
Estimated Outlays	73	364	1089	1117	963	3606
Amounts Subject to Appropriation Action a/						
Estimated Authorization Level	-10	-25	-64	-93	-112	-302
Estimated Outlays	-11	-51	-65	-79	-97	-301
Total Family Support Spending						
Estimated Budget Authority/						
Estimated Authorization Level	63	339	1025	1024	851	3304
Estimated Outlays	62	313	1024	1038	866	3305
Funding Provisions (Title VII)						
Debt Collection b/						
Estimated Budget Authority	-400	-400	-400	-400	-400	-2000
Estimated Outlays	-400	-400	-400	-400	-400	-2000
Revenues	73	278	308	330	345	1334
Net Budget Impact						
Estimated Increase or Decrease (-) in the Deficit	-411	-365	316	308	121	-29

SOURCE: Congressional Budget Office projections.

NOTE: Savings in spending are shown as negative numbers.

- a. Amounts subject to appropriation action include those for the Work Incentive Program (WIN), which would be phased out under the act, resulting in savings, and those for numerous studies, demonstration projects, and commissions. Food Stamp savings are shown under direct spending.
- b. The debt collection provision results in reduced spending.

TABLE A-2. ESTIMATED COST TO THE FEDERAL GOVERNMENT OF THE
FAMILY SUPPORT ACT OF 1988, BY PROVISION
(Outlays, by fiscal year, in millions of dollars)

	1989	1990	1991	1992	1993	Five-Year Total
TITLE I: CHILD SUPPORT						
Mandate Income Withholding	—	—	-15	-40	-60	-115
Family Support Admin. a/-	—	—	—	-10	-20	-35
Food Stamps	—	—	-5	-5	-10	-20
Medicaid	—	—	-25	-55	-90	-170
Total	—	—	—	—	—	—
Alter \$50 Disregard for Months Due	1	1	1	1	1	5
Family Support Admin.	—	—	—	—	—	—
Mandate Child Support Guidelines	—	-20	-55	-85	-115	-275
Family Support Admin.	—	-5	-10	-20	-30	-65
Food Stamps	—	b/-	-5	-10	-15	-30
Medicaid	—	-25	-70	-115	-160	-370
Total	—	—	—	—	—	—
Require Demonstrations on Model Procedures for Reviewing Child Support Awards	b/-	4	4	—	—	8
Family Support Admin.	—	—	—	—	—	—
Require Monthly Notifica- tion of Child Support Amounts	—	—	—	—	2	2
Family Support Admin.	—	—	—	—	—	—
Mandate Increases in Paternity Establishment	—	—	40	25	15	80
Family Support Admin.	—	—	—	—	—	—
Reimburse Laboratory Costs at 90 Percent	2	2	3	4	4	15
Family Support Admin.	—	—	—	—	—	—
Establish Standards for Response Time	c/-	c/-	c/-	c/-	c/-	c/-
Family Support Admin.	—	—	—	—	—	—
Mandate ADP for Most States	2	2	7	7	7	25
Family Support Admin.	—	—	—	—	—	—
Repeal 90 Percent Match on ADP (Effective 9/30/95)	—	—	—	—	—	—
Family Support Admin.	—	—	—	—	—	—
Permit Access to DOL INTERNET System	—	b/-	b/-	b/-	b/-	b/-
Family Support Admin.	—	—	—	—	—	—
Require Disclosure of Social Security Numbers	—	—	b/-	b/-	b/-	b/-
Family Support Admin.	—	—	—	—	—	—
Establish Commission on Interstate Enforcement	b/-	2	b/-	—	—	2
Family Support Admin.	—	—	—	—	—	—

TABLE A-2 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
Alter Incentive Payments by Excluding Interstate Demonstration Costs Family Support Admin.	b/	1	1	1	1	4
Study Child-Rearing Costs Family Support Admin.	b/	b/	—	—	—	b/
Require Data Collection on CSE Applicants Family Support Admin.	b/	b/	b/	b/	b/	b/
Subtotal Title I						
Family Support Admin.	5	-8	-14	-67	-145	-249
Food Stamps	—	-5	-15	-30	-50	-100
Medicaid	—	b/	-10	-15	-25	-50
Total	5	-13	-39	-132	-220	-399
TITLE II: JOBS PROGRAM						
Establish JOBS						
Family Support Admin.	45	319	481	425	335	1605
Food Stamps	b/	-5	-10	-20	-25	-60
Medicaid	b/	-5	-10	-20	-30	-65
WIN	-12	-67	-104	-108	-113	-404
Total	33	242	357	277	167	1076
Add Mandatory Participation Rates to JOBS						
Family Support Admin.	—	b/	45	90	75	210
Food Stamps	—	b/	b/	-10	-20	-30
Medicaid	—	b/	b/	-5	-10	-15
Total	—	b/	45	75	45	165
Require Participation in Work Programs by AFDC-UP Families						
Family Support Admin.	—	—	—	—	—	—
Food Stamps	—	—	—	—	—	—
Medicaid	—	—	—	—	—	—
Total	—	—	—	—	—	—
Authorize Demonstration Projects on Work Programs for Fathers Who Can't Pay						
Family Support Admin.	—	b/	2	2	2	6
Authorize Implementation Study						
Family Support Admin.	b/	b/	b/	b/	—	2
Authorize Demonstrations on Cost Effectiveness						
Family Support Admin.	—	1	5	4	—	10
Subtotal Title II						
Family Support Admin.	45	320	533	521	412	1833
Food Stamps	b/	-5	-10	-30	-45	-90
Medicaid	b/	-5	-10	-25	-40	-80
WIN	-12	-67	-104	-108	-113	-404
Total	33	243	409	358	214	1259

TABLE A-2 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
TITLE III: SUPPORTIVE SERVICES						
Reimburse Child Care for 12 Months After Leave AFDC Family Support Admin.	—	25	205	245	260	735
Provide Medicaid for 12 Months After Leave AFDC Medicaid	—	5	105	155	165	430
Delay Effective Date for Kentucky to 10/1/90 Family Support Admin.	—	-1	—	—	—	-1
Require Studies by DHHS of Transition Provisions Family Support Admin.	—	—	b/	b/	b/	b/
Authorize Grants to States for Child Care Standards Family Support Admin.	—	9	13	4	—	26
Extend Medicaid to Families Who Leave AFDC Because of Increased Child Support to 10/1/89 Medicaid	10	—	—	—	—	10
Subtotal Title III	—	33	218	249	260	760
Family Support Admin.	10	5	105	155	165	440
Medicaid	10	38	323	404	425	1200
Total	10	38	323	404	425	1200
TITLE IV: RELATED AMENDMENTS						
Mandate AFDC-UP Program	—	—	175	175	180	530
Family Support Admin.	—	—	-50	-55	-55	-160
Food Stamps	—	—	180	260	295	735
Medicaid	—	—	305	380	420	1105
Total	—	—	305	380	420	1105
Allow States to Amend Quarters of Work Rule	—	—	9	12	12	33
Family Support Admin.	—	—	-3	-6	-6	-17
Food Stamps	—	—	5	6	7	18
Medicaid	—	—	9	12	13	34
Total	—	—	9	12	13	34
Raise Earnings Deduction to \$90	—	25	30	30	30	115
Family Support Admin.	—	-15	-15	-15	-15	-60
Food Stamps	—	5	15	15	15	50
Medicaid	—	15	30	30	30	105
Total	—	15	30	30	30	105
Raise Child Care Cap and Alter Sequencing of Disregards	—	3	8	8	8	32
Family Support Admin.	—	-3	-3	-3	-3	-12
Food Stamps	—	5	5	5	5	20
Total	—	5	5	5	5	20

TABLE A-2 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
Disregard Earned Income Tax Credit						
Family Support Admin.	—	20	20	20	20	80
Food Stamps	—	-10	-10	-10	-10	-40
Total	—	10	10	10	10	40
Require Evaluation of AFDC-UP						
Family Support Admin.	—	—	b/	b/	1	1
Require Minor Parents to Live with Parents at State Option						
Family Support Admin.	—	-5	-5	-5	-5	-20
Food Stamps	—	b/	b/	b/	b/	b/
Medicaid	—	-2	-2	-2	-2	-8
Total	—	-7	-7	-7	-7	-28
Require Evaluation of Need and Payment Standards at Least Every Three Years						
Family Support Admin.	b/	b/	1	1	1	3
Require Study on Partnership Act of 1987						
CBO	b/	—	—	—	—	b/
Study Alternative Minimum Benefit Proposals (NAS)						
Family Support Admin.	1	1	b/	—	—	2
Subtotal Title IV						
Family Support Admin.	1	49	238	241	247	776
Food Stamps	—	-28	-83	-89	-89	-289
Medicaid	—	3	198	279	315	795
CBO	b/	—	—	—	—	b/
Total	1	24	353	431	473	1282

TITLE V: DEMONSTRATION PROJECTS

Authorize Family Support Demonstrations						
Family Support Admin.	—	1	6	6	5	18
Authorize Demonstrations on AFDC Parents as Child Care Providers						
Family Support Admin.	—	b/	1	1	1	3
Require Demonstrations on 100-Hour Rule						
Family Support Admin.	—	—	b/	3	4	7
Food Stamps	—	—	b/	-1	-1	-2
Medicaid	—	—	1	3	5	9
Total	—	—	1	5	8	14
Authorize Demonstrations on Child Access Problems						
Family Support Admin.	—	1	4	3	—	8
Authorize Demonstrations with Nonprofit Organizations to Create Job Opportunities						
Family Support Admin.	—	1	6	7	6	20

TABLE A-2 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
Authorize Demonstrations on Counseling and Services for High-Risk Teenagers Family Support Admin.	—	b/	2	2	1	5
Extend Minnesota Prepaid Medicaid Demonstration Medicaid	b/	b/	—	—	—	b/
Subtotal Title V	—	3	19	22	17	61
Family Support Admin.	—	—	b/	-1	-1	-2
Food Stamps	b/	b/	1	3	5	9
Medicaid	b/	3	20	24	21	68
Total						
TITLE VI: MISCELLANEOUS PROVISIONS						
Include American Samoa in AFDC	1	1	1	1	1	5
Family Support Admin.						
Increase AFDC Caps for Territories	11	11	11	11	11	55
Family Support Admin.						
Require Pre-eligibility Fraud Detection Measures in AFDC	—	5	-25	-25	-25	-70
Family Support Admin.	—	-10	-5	-5	-5	-35
Food Stamps	—	-10	-25	-30	-30	-95
Medicaid	—	5	-55	-60	-60	-170
Total						
Require Uniform Reporting Family Support Admin.	1	1	1	1	1	5
Require Annual Reporting in Social Services Social Services	0	0	0	0	0	0
Extend Moratorium on Fiscal Sanctions to 7/1/89 Family Support Admin.	0	0	0	0	0	0
Make Technical Corrections to Medicare and Medicaid	0	0	0	0	0	0
Subtotal Title VI	13	18	-12	-12	-12	-5
Family Support Admin.	—	-10	-5	-5	-5	-35
Food Stamps	—	-10	-25	-30	-30	-95
Medicaid	—	0	0	0	0	0
Social Services	0	0	0	0	0	0
Total	13	18	-42	-47	-47	-105
TOTAL OUTLAYS BY PROGRAM						
Family Support Admin.	64	415	982	934	779	3176
Food Stamps	b/	-28	-113	-155	-190	-486
Medicaid	10	-7	259	367	390	1019
WIN	-12	-67	-104	-108	-113	-404
CBO	b/	—	—	—	—	b/
Social Services	0	0	0	0	0	0
Total	62	313	1024	1038	866	3305

SOURCE: Congressional Budget Office projections.

NOTE: Savings are shown as negative numbers. Dashes (—) indicate that the requirement has not yet taken effect or is no longer in effect.

- The Family Support Administration (FSA) in the Department of Health and Human Services has the operational responsibility for both the AFDC and Child Support Enforcement programs.
- Less than \$500,000.
- Standards are to be set by the Secretary of Health and Human Services. Because the standards are not yet known, an estimate of costs or savings cannot be done at this time.

REVENUE COMPONENTS OF THE FAMILY SUPPORT ACT OF 1988
(Millions of Dollars)

FY 1989-1991

1.	IRS Debt Collection.....	2,000
2.	Provide that the child care credit and the dependent care exclusion are available only with respect to children under the age of 13 (instead of under age 15, the current law cut-off).....	375
3.	As a condition of allowing to a taxpayer the credit or exclusion, the valid name, address, and, if the provider is not a 501(c)(3) organization, taxpayer identification number of the service provider would be required to be reported to the IRS (invalid information would not result in loss of the benefit if the taxpayer could provide that due diligence was exercised in obtaining the information).....	529
4.	Business expenses incurred under non-accountable plan would be treated as miscellaneous itemized deduction.....	350
5.	Taxpayer identification numbers required for dependents aged 2 and over claimed on tax returns.....	25
6.	A taxpayer's limit on expenses eligible for the child care credit would be reduced by the amount of expenses excluded from that person's income under the exclusion.....	<u>55</u>
	TOTAL.....	3,334

SOURCE: Prepared by the Joint Committee on Taxation

TABLE A-3. ESTIMATED COST TO STATES AND LOCALITIES OF THE
FAMILY SUPPORT ACT OF 1988, BY PROVISION
(By fiscal year, in millions of dollars)

	1989	1990	1991	1992	1993	Five-Year Total
TITLE I: CHILD SUPPORT						
Mandate Income Withholding	—	—	—	—	—	—
Family Support Admin. a/	—	—	-25	-60	-95	-180
Food Stamps	—	—	0	0	0	0
Medicaid	—	—	b/	-5	-10	-15
Total	—	—	-25	-65	-105	-195
Alter \$50 Disregard for Months Due	—	—	—	—	—	—
Family Support Admin.	1	1	1	1	1	5
Mandate Child Support Guidelines	—	—	—	—	—	—
Family Support Admin.	—	-35	-80	-125	-165	-405
Food Stamps	—	0	0	0	0	0
Medicaid	—	b/	-5	-10	-15	-30
Total	—	-35	-85	-135	-180	-435
Require Demonstrations on Model Procedures for Reviewing Child Support Awards	—	—	—	—	—	—
Family Support Admin.	b/	b/	b/	—	—	1
Require Monthly Notifica- tion of Child Support Amounts	—	—	—	—	1	1
Family Support Admin.	—	—	—	—	1	1
Mandate Increases in Paternity Establishment	—	—	20	b/	-20	b/
Family Support Admin.	—	—	20	b/	-20	b/
Reimburse Laboratory Costs at 90 Percent	—	—	—	—	—	—
Family Support Admin.	-2	-2	-3	-4	-4	-15
Establish Standards for Response Time	—	—	—	—	—	—
Family Support Admin.	c/	c/	c/	c/	c/	c/
Mandate ADP for Most States	—	—	—	—	—	—
Family Support Admin.	b/	b/	1	1	1	3
Repeal 90 Percent Match on ADP	—	—	—	—	—	—
Family Support Admin.	—	—	—	—	—	—
Permit Access to DOL INTERNET System	—	—	—	—	—	—
Family Support Admin.	—	b/	b/	b/	b/	b/
Require Disclosure of Social Security Numbers	—	—	—	—	—	—
Family Support Admin.	—	—	b/	b/	b/	b/
Establish Commission on Interstate Enforcement	—	—	—	—	—	—
Family Support Admin.	0	0	0	—	—	0

TABLE A-3 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
Alter Incentive Payments by Excluding Interstate Demonstration Costs Family Support Admin.	b/	-1	-1	-1	-1	-4
Study Child-Rearing Costs Family Support Admin.	0	0	—	—	—	0
Require Data Collection on CSE Applicants Family Support Admin.	b/	b/	b/	b/	b/	b/
Subtotal Title I						
Family Support Admin.	-1	-37	-87	-188	-282	-594
Food Stamps	—	0	0	0	0	0
Medicaid	—	b/	-5	-15	-25	-45
Total	-1	-37	-92	-203	-307	-640
TITLE II: JOBS PROGRAM						
Establish JOBS						
Family Support Admin.	-3	-56	-111	-126	-131	-427
Food Stamps	0	0	0	0	0	0
Medicaid	b/	b/	-10	-20	-25	-55
WIN	-1	-7	-12	-12	-13	-45
Total	-4	-63	-133	-158	-169	-527
Add Mandatory Participation Rates to JOBS						
Family Support Admin.	—	b/	30	55	45	130
Food Stamps	—	0	0	0	0	0
Medicaid	—	b/	b/	-5	-10	-15
Total	—	b/	30	50	35	115
Require Participation in Work Programs by AFDC-UP Families						
Family Support Admin.	—	—	—	—	—	—
Food Stamps	—	—	—	—	—	—
Medicaid	—	—	—	—	—	—
Total	—	—	—	—	—	—
Authorize Demonstration Projects on Work Programs for Fathers Who Can't Pay Family Support Admin.	—	b/	1	1	1	3
Authorize Implementation Study Family Support Admin.	0	0	0	0	—	0
Authorize Demonstrations on Cost Effectiveness Family Support Admin.	—	b/	b/	b/	—	b/
Subtotal Title II						
Family Support Admin.	-3	-56	-80	-70	-85	-294
Food Stamps	0	0	0	0	0	0
Medicaid	b/	b/	-10	-25	-35	-70
WIN	-1	-7	-12	-12	-13	-45
Total	-4	-63	-102	-107	-133	-409

TABLE A-3 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
TITLE III: SUPPORTIVE SERVICES						
Reimburse Child Care for 12 Months After Leave AFDC Family Support Admin.	—	15	120	145	150	430
Provide Medicaid for 12 Months After Leave AFDC Medicaid	—	5	85	125	135	350
Delay Effective Date for Kentucky to 10/1/90 Family Support Admin.	—	-1	—	—	—	-1
Require Studies by DHHS of Transition Provisions Family Support Admin.	—	—	0	0	0	0
Authorize Grants to States for Child Care Standards (90 Percent Federal Match) Family Support Admin.	—	1	2	b/	—	3
Extend Medicaid to Families Who Leave AFDC Because of Increased Child Support to 10/1/89 Medicaid	8	—	—	—	—	8
Subtotal Title III						
Family Support Admin.	—	15	122	145	150	432
Medicaid	8	5	85	125	135	358
Total	8	20	207	270	285	790
TITLE IV: RELATED AMENDMENTS						
Mandate AFDC-UP Program	—	—	115	115	120	350
Family Support Admin.	—	—	0	0	0	0
Food Stamps	—	—	105	160	180	445
Medicaid	—	—	220	275	300	795
Total	—	—	220	275	300	795
Allow States to Amend Quarters of Work Rule	—	—	7	10	10	27
Family Support Admin.	—	—	0	0	0	0
Food Stamps	—	—	4	5	6	15
Medicaid	—	—	11	15	16	42
Total	—	—	11	15	16	42
Raise Earnings Deduction to \$90	—	20	25	25	25	95
Family Support Admin.	—	0	0	0	0	0
Food Stamps	—	5	10	10	15	40
Medicaid	—	25	35	35	40	135
Total	—	25	35	35	40	135
Raise Child Care Cap And Alter Sequencing of Disregards	—	7	7	7	7	28
Family Support Admin.	—	0	0	0	0	0
Food Stamps	—	7	7	7	7	28
Total	—	7	7	7	7	28

TABLE A-3 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
Disregard Earned Income Tax Credit	—	15	15	15	15	60
Family Support Admin.	—	0	0	0	0	0
Food Stamps	—	15	15	15	15	60
Total	—	15	15	15	15	60
Require Evaluation of AFDC-UP	—	—	0	0	0	0
Family Support Admin.	—	—	0	0	0	0
Require Minor Parents to						
Live with Parents at State Option	—	-5	-5	-5	-5	-20
Family Support Admin.	—	0	0	0	0	0
Food Stamps	—	-2	-2	-2	-2	-8
Medicaid	—	-7	-7	-7	-7	-28
Total	—	-7	-7	-7	-7	-28
Require Evaluation of						
Need and Payment Standards						
at Least Every Three Years						
Family Support Admin.	b/	b/	1	1	1	3
Require Study on Partnership						
Act of 1987						
CBO	0	—	—	—	—	0
Study Alternative Minimum						
Benefit Proposals (NAS)						
Family Support Admin.	0	0	0	—	—	0
Subtotal Title IV						
Family Support Admin.	b/	37	165	168	173	543
Food Stamps	—	0	0	0	0	0
Medicaid	—	3	117	173	199	492
CBO	0	—	—	—	—	0
Total	b/	40	282	341	372	1035

TITLE V: DEMONSTRATION PROJECTS

Authorize Family Support						
Demonstrations						
Family Support Admin.	—	1	6	6	5	18
Authorize Demonstrations						
on AFDC Parents as Child						
Care Providers						
Family Support Admin.	—	b/	1	1	1	3
Require Demonstrations						
on 100-Hour Rule						
Family Support Admin.	—	—	b/	2	3	5
Food Stamps	—	—	0	0	0	0
Medicaid	—	—	1	2	4	7
Total	—	—	1	4	7	12
Authorize Demonstrations						
on Child Access Problems						
Family Support Admin.	—	b/	3	1	—	4
Authorize Demonstrations						
with Nonprofit Organizations						
to Create Job Opportunities						
Family Support Admin.	—	0	0	0	0	0

TABLE A-3 (Continued)

	1989	1990	1991	1992	1993	Five-Year Total
Authorize Demonstrations on Counseling and Services for High-Risk Teenagers Family Support Admin.	—	0	0	0	0	0
Extend Minnesota Prepaid Medicaid Demonstration Medicaid	b/	b/	—	—	—	b/
Subtotal Title V						
Family Support Admin.	—	1	10	10	9	30
Food Stamps	—	—	0	0	0	0
Medicaid	b/	b/	1	2	4	7
Total	b/	1	11	12	13	37
TITLE VI: MISCELLANEOUS PROVISIONS						
Include American Samoa in AFDC Family Support Admin.	b/	b/	b/	b/	b/	b/
Increase AFDC Caps for Territories Family Support Admin.	4	4	4	4	4	20
Require Pre-eligibility Fraud Detection Measures in AFDC						
Family Support Admin.	—	-5	-30	-30	-30	-95
Food Stamps	—	10	10	10	10	40
Medicaid	—	-10	-20	-25	-25	-80
Total	—	-5	-40	-45	-45	-135
Require Uniform Reporting Family Support Admin.	1	1	1	1	1	5
Require Annual Reporting in Social Services Social Services	0	0	0	0	0	0
Extend Moratorium on Fiscal Sanctions to 7/1/89 Family Support Admin.	0	0	0	0	0	0
Make Technical Corrections to Medicare and Medicaid	0	0	0	0	0	0
Subtotal Title VI						
Family Support Admin.	5	0	-25	-25	-25	-70
Food Stamps	—	10	10	10	10	40
Medicaid	—	-10	-20	-25	-25	-80
Social Services	0	0	0	0	0	0
Total	5	0	-35	-40	-40	-110
TOTAL SPENDING BY PROGRAM						
Family Support Admin.	1	-40	105	40	-60	47
Food Stamps	—	10	10	10	10	40
Medicaid	8	-2	168	235	253	662
WIN	-1	-7	-12	-12	-13	-45
CBO	0	—	—	—	—	0
Social Services	0	0	0	0	0	0
Total	8	-39	271	273	190	704

SOURCE: Congressional Budget Office projections.

NOTE: Savings are shown as negative numbers. Dashes (—) indicate that the requirement has not yet taken effect or is no longer in effect.

- The Family Support Administration (FSA) in the Department of Health and Human Services has the operational responsibility for both the AFDC and Child Support Enforcement programs.
- Less than \$500,000.
- Standards are to be set by the Secretary of Health and Human Services. Because the standards are not yet known, an estimate of costs or savings cannot be done at this time.

EFFECTS OF SELECTED PROVISIONS OF THE FAMILY SUPPORT ACT OF 1988

MANDATE AFDC-UP

New AFDC Families	65,000 average monthly
New AFDC Persons	290,000 average monthly

INCREASE EARNED INCOME DISREGARDS

New AFDC Families	15,000 average monthly
New AFDC Persons	45,000 average monthly
Families Already on AFDC Better Off	285,000 average monthly

REQUIRE TRANSITIONAL CHILD CARE

Assisted Children Leaving AFDC	280,000 average monthly
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EXTEND TRANSITIONAL MEDICAID

Assisted Persons Leaving AFDC:	
First Six Months	445,000 average monthly
Second Six Months	265,000 average monthly

INSTITUTE JOBS

New Work Program Participants	1991	235,000
	1992	360,000
	1993	360,000
	1994	550,000
	1995	800,000

SOURCE: Congressional Budget Office Estimates.

NOTE: Estimates are for years when the provisions are fully effective.
